GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:913
ANSWERED ON:24.07.2015
SIDBI Loan to MSME
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Will the Minister of FINANCE be pleased to state:

(a) whether Small Industries Development Bank of India (SIDBI) has set up Rs. 1000 crores fund to MSME sector for "Make in India" programme;
(b) if so, the details thereof along with role of SIDBI in the micro finance sector;
(c) whether the SIDBI has identified MSME units under the said scheme to provide loan at concessional rates;
(d) if so, the details thereof, State-wise including Maharashtra and Uttar Pradesh; and
(e) the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a): SIDBI has created a fund of Rs. 1000 crore from its own resources for providing financial assistance to MSMEs, with a concession of 50 basis points over the applicable rate of interest to units covered under the 25 sectors identified by the Government of India under its "Make in India" initiative.
(b): SIDBI has been playing a pivotal role in promoting the micro finance sector. Among the various schemes launched, inter-alia, the following are noteworthy:
i) Micro Units Development & Refinance Agency (MUDRA): As per the announcement in Union Budget 2015-16, Hon'ble Prime Minister launched Micro Units Development & Refinance Agency (MUDRA) on April 08, 2015 as a subsidiary of SIDBI with an initial paid up capital of Rs. 250 crore. The main purpose of MUDRA is to fund the unfunded by way of development and refinancing activities related to micro units. The agency is expected to help small business units by bringing them within the formal financial sector for their credit needs.
ii) India Micro Equity Fund (IMEF): Government of India in its Union Budget for 2011-12, announced creation of "India Microfinance Equity Fund" with a corpus of Rs. 100 crore which is being managed by SIDBI. The fund was committed to 37 MFIs to improve their equity base, meet CRAR requirements, if any, prescribed by regulatory authorities and leverage the same for additional debt raising and scaling-up operations, improve efficiency and build long term commercially sustainable organisations.

iii) India Microfinance Platform (IMFP) : Set up by SIDBI, it provides and disseminate valuable information on the Indian MFIs.

iv) National Micro Finance Support Project (NMFSP) : SIDBI implemented the National Micro Finance Support Project (NMFSP) in collaboration with the Government of India, the Department for International Development (DFID), UK and the International Fund for Agricultural Development (IFAD), Rome which was designed to address the lack of access to financial services by the poor in India and was expected to develop a more formal, extensive and effective micro finance sector on a national scale.

The cumulative assistance including loans, equity and quasi-equity etc., sanctioned under SIDBI's micro finance initiatives up to March 31, 2015 aggregated to about Rs.11,000 crore.

(c) to (e): The fund is available to all eligible MSMEs across India and through all the existing direct finance schemes of SIDBI. The scheme has become operational with effect from July 01, 2015 and is available to all eligible MSMEs across India including the States of Maharashtra and Uttar Pradesh.
To take forward the Government's initiative and help MSMEs take part in the Governments 'Make in India' initiative, SIDBI has also launched another fund viz. "SIDBI Make in India Soft Loan Fund for Micro, Small & Medium Enterprises (SMILE)", out of Rs. 10,000 crore fund allocated by RBI in 2014-15.
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